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Hembly International Holdings Limited

恒寶利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03989)

GENERAL DISCLOSURE UNDER 13.09(1) OF THE LISTING RULES

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

After trading hours on 24 December 2009, the Company entered into a Memorandum of Understanding with the Proposed Investor in which the Proposed Investor is exploring the possibility of making investment in the Target Company, including but not limited to subscription of new shares and/or convertible instruments in the Target Company, provide financing or acquiring the interest of the Target Company and/or companies held by the Target Company, in which the consideration must not exceed HK\$450 million.

The Proposed Investment, if materializes, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. As the Proposed Investor is wholly-owned by Mr. Ngok Yan Yu, chairman and an executive director of the Company and thus a connected person (as defined in the Listing Rules) of the Company, the Proposed Investment, if materializes, therefore also constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. Further announcement will be made by the Company when the Company enters into the Formal Agreement or the Company decides to terminate the Memorandum of Understanding or there is any material development on the Proposed Investment.

The Board wishes to emphasize the Proposed Investment may or may not proceed. If the Proposed Investment is materialized, it may constitute a notifiable and connected transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Investment will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

THE MEMORANDUM OF UNDERSTANDING

After trading hours on 24 December 2009, Hembly International Holdings Limited (the “**Company**”) and Bloom Origin Limited (the “**Proposed Investor**”), a company incorporated in the British Virgin Islands, entered into a memorandum of understanding (the “**Memorandum of Understanding**”), in which, the Proposed Investor and the Company shall endeavour to negotiate and enter into a formal sale and purchase agreement (the “**Formal Agreement**”) for the Proposed Investor to make investment in Full Prosper Holdings Limited, a wholly-owned subsidiary of the Company (the “**Target Company**”) including but not limited to, subscription of new shares and/or convertible instruments in the Target Company, providing financing or acquiring the interest of the Target Company and/or companies held by the Target Company (the “**Proposed Investment**”) in which the consideration must not exceed HK\$450 million. The Proposed Investor is wholly-owned by Mr. Ngok Yan Yu, chairman and an executive director of the Company.

The Company agrees to grant the Proposed Investor an exclusive right for a period of 12 months from the date of the Memorandum of Understanding to carry out due diligence, other investigations and negotiations with the Company for the terms and conditions of a formal agreement (the “**Exclusive Right**”) in relation to the Proposed Investment. In consideration of the Company agreeing to grant the Proposed Investor the Exclusive Right, the Proposed Investor agrees to pay HK\$250 million as earnest money (the “**Earnest Money**”) which will be applied towards part payment of the consideration price if the Proposed Investment is proceeded with. If the Formal Agreement cannot be entered into by the expiry of such period, the Memorandum of Understanding shall be immediately terminated and the Earnest Money will be refunded.

The Target Company, a company incorporated in the British Virgin Islands and acts as an investment holding company, its subsidiaries are principally engaged in the provision of supply chain services for the supply of apparel and accessories to international brands.

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The Board wishes to emphasize the Proposed Investment may or may not proceed. If the Proposed Investment is materialized, it may constitute a notifiable and connected transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Proposed Investment will be made in accordance with all applicable requirements of the Listing Rules as and when appropriate.

By Order of the Board
HEMBLY INTERNATIONAL HOLDINGS LIMITED
Ngok Yan Yu
Chairman

Hong Kong, 24 December 2009

As at the date of this announcement, the Board comprises six executive directors, namely Mr. Ngok Yan Yu, Mr. Lam Hon Keung, Keith, Ms. Tang Chui Yi, Janny, Mr. Wong Ming Yeung, Mr. Marcello Appella and Mr. Chan Tak Yan; and three independent non-executive directors, namely Mr. Lo Ming Chi, Charles, Mr. Pao Ping Wing and Mr. Kwan Hung Sang, Francis.